

# Memorandum

To: Panel Members Date: January 23, 2003

From: Charles Rufo, Manager Analyst: J. Daunt  
Peter DeMauro, General Counsel

Subject: One-Step Agreement for **Advanced Career Technologies Institute (ACTech Institute)**  
www.actech.org

## **CONTRACTOR:**

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training of Unemployed Workers
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: None of the core group of employers is represented by a collective bargaining agreement.

## **CONTRACT:**

- Program Costs: \$952,560
- Substantial Contribution: \$0
- Multiple Employer Support (0%) \$0
- Total ETP Funding: \$952,560
- In-Kind Contribution: \$492,545
- Maximum Contractor Charge: N/A per trainee
- Reimbursement Method: Negotiated Rate
- County(ies) Served: Sacramento, Contra Costa
- Duration of Agreement: 24 months

**SUBCONTRACTORS:**

None

**THIRD PARTY SERVICES:**

None

**PRIOR PROJECTS:**

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

Agreement No.	Locations (Cities)	Term	Agreement Amount	Amount Earned	% Earned
ET6-0143 New Hire	Concord, Rancho Cordova	02/09/1996-02/08/1998	\$391,000	\$295,900	75.7%
ET8-0663 New Hire	Concord, Rancho Cordova	02/09/1998-02/08/2000	\$632,016	\$579,348	91.7%
ET00-0175 New Hire	Concord, Rancho Cordova	11/29/1999-11/28/2001	\$645,312	\$485,364	75.2%

**ACTIVE PROJECTS:**

The following are current project statistics:

Agreement No.	Term	Agreement Amount	Number To be Retained	Number Enrolled	Number Completed Training	Number Hired (Complete for new hires only)	Number retained for 90 days
ET01-0297 New Hire	05/10/2001- 05/09/2003	\$916,823	125	126	124	61	35*

\* Comments: The Contractor projects between 75 and 95 percent completion – i.e., from 94 to 119 trainees placed and retained in full-time employment in specialized occupations.

**NARRATIVE:**

This will be the fifth ETP new-hire training Agreement with Advanced Career Technologies Institute (ACTech).

Advanced Career Technologies Institute is eligible for ETP funding under Title 22, California Code of Regulations, Sections 4400(z) and 4426, as a training agency, which is defined as a facility that has been in business for two years or more, providing training and placement services to the public, with an approval to operate provided by the Bureau of Private Postsecondary and Vocational Education (BPPVE).

In 1983, ACTech Institute began as an outgrowth of MicroAge Computer Learning Center of Concord. In 1991, the name was later changed to Advanced Career Technologies Institute, generally known as ACTech Institute, and the scope of the training was expanded. For over ten years, ACTech has been

**NARRATIVE:** (continued)

responding to growing demands for trained hardware/software/LAN support technicians and other computer hardware and software specialists throughout the greater Sacramento area and the Bay Area.

In addition to approval by California's Bureau for Private Postsecondary and Vocational Education, ACTech has been granted national accreditation by the Accrediting Commission for Career Schools and Colleges of Technology.

The need for trained computer technicians, operators, and specialists remains strong. ACTech representatives report that this training is designed to provide unemployed California residents with adequate training to enable them to effectively compete for available positions that require advanced computer skills.

ACTech's training facilities are located in Rancho Cordova (Sacramento County) and Concord (Contra Costa County). Training will be conducted at both facilities.

Based on information from employers, ACTech officials have determined that there is a significant demand for employees knowledgeable in specialized computer fields. ACTech is proposing to train 125 unemployed individuals and place them as full-time year-round workers in occupations requiring specialized computer skills.

**Computer Skills Training:** All trainees (Job Numbers 1 and 2) will receive Computer Skills training, comprised of training in Computer Systems Support, Applications Support, Network Support, Hardware Support Specialty training, Software Support Specialty training, and Network Systems Support Specialty training. This training will help in meeting the growing need for employees skilled in both software and hardware computer applications and specialties. ACTech has found that local area businesses have a continuing need for workers who can troubleshoot and repair both hardware and software when needed. Trainees with some knowledge and experience will receive a curriculum consisting of 300 class/lab hours of training (Job Number 1), while trainees with no prior experience will receive a curriculum consisting of 600 class/lab hours of training (Job Number 2).

Trainees will be placed in the following occupations: Computer Systems Support Specialists, Applications Support Specialists, Network/Local Area Networks (LAN) Support Specialists, Networking Technologies (NT)/Domains Support Specialists, Hardware Support Specialists, Software Support Specialists, and Network Systems Support Specialists.

**Marketing Plan for Recruitment of Employers:** ACTech has developed a marketing plan consisting of three phases: 1) ACTech will continue its relationship with area businesses which have hired ACTech graduates over the past ten years; 2) ACTech will develop new relationships with employers participating for the first time; and 3) ACTech will continue to identify employers and industries displaying rapid growth and consequent demand to fill specialized computer-related occupations. Marketing methods will include the following: a) development of closer relationships with businesses, especially human resource and personnel departments; b) inviting recruiters and other human resource and personnel staff to ACTech to meet with school officials and students; c) pursuing follow-up contacts with human resource and personnel staff at area businesses, to obtain feedback on training needs and on the successes of new hires.

**Employer Participation in Development of Training Curricula; Method to Insure Continuous Participating Employer Feedback on the Effectiveness of Training:** In order to understand how the graduates are performing in their new jobs and to seek continuous improvement in its curricula, ACTech uses the following process to obtain feedback from its employers:

**NARRATIVE:** (continued)

- ACTech receives feedback from its advisory committee – started in 1998 and made up of representatives of area employers – which formally meets semi annually (the school's advisory committee is a requirement of the Accrediting Commission of Career Schools and Colleges of Technology);
- ACTech receives feedback from annual occupation demand statements submitted to ACTech by area employers, providing information on employment and training needs;
- representatives of area employers review and comment on curricula, and provide feedback, including suggestions of possible revisions and augmentations; and,
- ACTech staff follow up with area employers, and with the ACTech graduates hired by the employers, for several years after graduation, to obtain information on how well the training provided by ACTech meets and corresponds to the employers' needs.

In addition to the advisory committee of employers, ACTech has established a second advisory committee of ACTech graduates. Both advisory committees review curricula, market data, employer and occupational demand, student services, graduate completion rates, and placement rates. ACTech officials state that both advisory committees are important factors in ensuring the success of ACTech's training and placement. In addition to the regular meetings, both employers and recent graduates maintain contact and provide feedback on a continuous basis, between meetings.

**Employer Demand**

Employer training needs are assessed by personal contacts, telephone interviews, and through industry information sources available to ACTech Institute. ACTech has conducted employer needs assessments for over ten years, not only for the proposed training project but for its previous ETP projects and its non-ETP funded training as well. The assessment process includes identification of employer demand, identification of job skills, customization of curricula and employer feedback, completion of questionnaires through interviews and research, and implementation of recruitment plan for the placement of graduates.

ACTech has provided a listing of its core group of participating employers, consisting of a total of seventeen (17) eligible employers, ten of which are small businesses totaling fewer than 100 full-time employees.

Employer training needs have been assessed and will continue to be assessed as additional participating employers are added throughout the training program. Employers are first identified through personal contacts and telephone interviews, as well as through researching industry information. The assessments themselves are conducted through questionnaires, interviews, and follow-up research. Subsequently, required skills are identified and curriculums are customized to meet the employers' needs. Specifically, the process for determining how the proposed training is industry specific for specialized occupations involves the following:

- Identify and contact employers in growing/expanding industries/businesses;
- Identify skills necessary for qualified applicants;
- Customize curricula to meet employers' needs; and,
- Present curricula to employers for feedback/approval.

**NARRATIVE:** (continued)

**Employer Demand** (continued)

As a result, ACTech is proposing a training program for new hires for successful placement into specialized occupations for which the core participating employers state there is a high demand for qualified applicants. For this project, the occupations are as follows: Computer Systems Support Specialists, Applications Support Specialists, Network/Local Area Networks (LAN) Support Specialists, Networking Technologies (NT)/Domains Support Specialists, Hardware Support Specialists, Software Support Specialists, and Network Systems Support Specialists. The specific industries to be served are Financial Services, Medical Front Office Support, and service industries that require and utilize computer and internet technologies.

**Justification of High Cost**

ETP policy requires that when the requested cost per trainee is more than double the ETP average cost per trainee, which amounts to \$2,630, a Multiple-Employer Contractor must justify the high cost per trainee. In their past ETP contract, ACTech's cost per trainee (\$3,890 to \$8,125) was calculated using only their catalog rate, since they agreed to waive the allowable eight percent support costs to cover the cost of its new-hire recruitment, assessment, and job placement activities. For this proposal, these support services will continue to be provided to trainees by ACTech, but the costs for these services are again identified as an in-kind contribution.

Staff found that ACTech's current catalog rates in the 300 and 600-hour curriculums for Computer Systems Support Specialist, Applications Support Specialist, Network/Local Area Networks (LAN) Support Specialist, Network Technician (NT)/Domains Support Specialist, Hardware Support Specialist, Software Support Specialist, and Network Systems Support Specialist are less than the ETP fixed fee rate of \$15.00 per hour. The hourly catalog rate for training in these occupations is \$13.80 to \$14.83 per hour. Thus, staff recommends that the Panel use a negotiated rate of \$13.80 to \$14.83 per hour, without the allowable eight percent support costs, and fund the training programs as follows:

**300-Hour Program**

- Computer Systems Support Specialist (\$4,425), Applications Support Specialist (\$4,140); Network/ Local Area Networks (LAN) Support Specialist (\$4,350), and Network Technician (NT)/Domains Support Specialist (\$4,449).

**600-Hour Program**

- \$8,450 = Hardware Support Specialist (\$8,450); Software Support Specialist (\$8,400); and Network Systems Support Specialist (\$8,622).

ACTech officials have explained that they expect a considerable number of the trainees to be individuals undergoing a complete career change, due to a variety of circumstances and pressures in the state's current economy. Many trainees will begin with little more than a cursory association with computer technology. As a result, substantial training is necessary. To provide the required skills, instruction will involve extensive coverage of both software and hardware applications systems, troubleshooting skills, desktop support, network systems administration, and the necessary installation and servicing skills. For the training to be effective, according to ACTech officials, extensive laboratory instruction, along with classroom training, is necessary.

Trainees will be placed into occupations that will afford them significant wage increases after one, two, and three years of employment, as follows (see following page):

**NARRATIVE:** (continued)

**Justification of High Cost** (continued)

	Starting	After 1 year	After 2 years	After 3 years
Computer Systems Support Specialists	\$10.00- \$17.50	\$12.35- \$18.50	\$15.70- \$22.05	\$19.00- \$25.57
Applications Support Specialists	\$10.00- \$17.50	\$13.05- \$21.33	\$16.12- \$25.15	\$19.18- \$28.99
Network/Local Area Networks (LAN) Support Specialists	\$10.00- \$17.50	\$10.80- \$18.20	\$12.60- \$21.35	\$14.38- \$24.55
Networking Technologies (NT)/ Domains Support Specialists	\$10.00- \$17.50	\$12.35- \$18.50	\$15.70- \$22.05	\$19.00- \$25.57
Hardware Support Specialists	\$11.00- \$17.50	\$12.70- \$19.12	\$16.35- \$23.25	\$20.00- \$27.37
Software Support Specialists	\$11.00- \$17.50	\$12.70- \$19.12	\$16.35- \$23.25	\$20.00- \$27.37
Network Systems Support Specialists	\$11.00- \$17.50	\$13.05- \$21.33	\$16.12- \$25.15	\$19.18- \$28.99

(Source: LMID – [www.calmis.ca.gov](http://www.calmis.ca.gov))

Among these occupations, the average increase in wages after one year, above the starting wages, is 31.9 percent. After two years, the average increase in wages in these occupations, above the starting wages, is 63.7 percent. After three years, the average increase in wages in these occupations, above the starting wages, is 95.3 percent.

**Supplemental Nature of Training**

Although the participating employers provide ongoing training to their staff, it is not possible for them to provide the extent of training necessary to bring on a new employee as a positive contribution to the company. The technology changes at a rapid pace, and the population of available applicants do not possess the current skills necessary to fill the positions, nor do they have the time and resources needed to acquire these skills on their own. Companies require the right skill sets in their new-hires, due to the acceleration effect that technology has put on competition; however, it is not possible for companies in the core group of participating employers to provide the technical training that will be provided by ACTech in this project.

**In-Kind Contribution**

The grand total estimated applicant and employer contribution for this project is \$492,545 (\$405,680 + \$86,865), as follows:

**NARRATIVE:** (continued)

**In-Kind Contribution** (continued)

Among the core group of participating employers included in this proposal, additional customized training, at the employers' expense, will be provided in specialized topics including proprietary and/or copyrighted technologies of the employer, software and hardware utilization and testing processes, and employers' business processes. Trainees will each receive 80 hours of training, on average, from core group employers after hire during the retention period. Wages will be paid to trainees during this post-placement training. The estimated total cost of wages and fringe benefits to be paid to trainees after placement is \$161,680. Additional estimated employers' costs associated with this customized additional training include costs of employers' staff performing training and/or administrative tasks directly attributable to the additional training, estimated at \$66,000; facility, equipment, material and supply costs directly attributable to the additional training, estimated at \$127,000; and, lost production resulting from trainees taken out of production during the additional training, estimated at \$51,000. The sum of these employers' costs (\$161,680 + \$66,000 + \$127,000 + \$51,000) is \$405,680.

Similar to their last ETP contract, ACTech has agreed to waive the allowable eight percent in support costs (equal to \$60,865) to cover the cost of its new-hire recruitment, assessment, and job placement activities. For this proposal, these support services will continue to be provided to trainees by ACTech. In addition, costs of materials and supplies are estimated to be \$20,000, and internet services directly attributable to the ETP training program are estimated to be \$6,000. The sum of these Contractor costs (\$60,865 + \$20,000 + \$6,000) is \$86,865.

**PROPOSED ACTION:**

Staff recommends approval of this One-Step Agreement if funding is available and the project meets Panel priorities. The recommendation is based on the continuing need for trained and qualified computer technicians, operators, and specialists, and on the prospect of moving as many as 125 California citizens from a status as unemployed individuals receiving state benefits, into specialized occupations with enhanced job security and long-term career potential.

**TRAINING PLAN:**

<b>Job Number/ Trainee Type</b>	<b>Types of Training</b>	<b>Number to Retain</b>	<b>No. Class / Lab Videocnf. Hrs</b>	<b>No. CBT Hrs</b>	<b>No. SOST Hrs.</b>	<b>Cost per Trainee</b>	<b>Hourly Wage after 90 days</b>
Job Number 1  New Hire	Computer Skills	30	300	0	0	\$4,140 - \$4,449	*\$10.00- \$17.50
Job Number 2  New Hire	Computer Skills	95	600	0	0	\$8,400 - \$8,622	\$11.00- \$17.50
					<b><u>Range of Hourly Wages</u></b> *\$10.00-\$17.50		
					<b><u>Prevalent Hourly Wage</u></b> \$12.44		
					<b><u>Average Cost per Trainee</u></b> \$7,620		
<b><u>Health Benefit used to meet ETP minimum wage:</u></b> * Health, dental, and/or vision benefits will vary by participating employer. For Job Number 1, health, dental, and/or vision benefits may be added to meet the minimum hourly base wage of \$10.00.					<b><u>Turnover Rate</u></b>  20%	<b><u>% of Mgrs &amp; Supervisors to be trained:</u></b>  0%	

**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**  
**MENU CURRICULUM**

**Class/Lab**  
**Hours**  
**80 - 200**

Trainees will receive any of the following:

**Business Skills**

Business Performance  
Project Management  
Communication Skills  
Customer Service  
Strategic Planning

**Computer Skills**

MicroSoft Office  
MicroSoft Projects  
Spreadsheet  
Windows Navigation  
Computer Networking  
    - Network Engineer  
    - Local Area Networks  
    - Wide Area Networks  
    - Network Management  
Computer Programming  
    - Visual Basic  
    - C  
    - C++  
    - Object Oriented  
Digital Video Technology  
    - Flash Multimedia Application  
    - Digital Film/Video Editing  
Catia® (3-D software Developed by Dassault Systèmes)  
    - Computer Aided Drafting  
    - Drawing and View Generation  
    - Editing Views  
    - Automatic Dimensioning

**Continuous Improvement**

Teambuilding Skills  
Leadership  
Process Improvement  
Quality Improvement  
Problem Solving  
Decision Making

**Manufacturing Skills**

Product Creation/Assembly

- Production Operations and Manufacturing
- Assembly Procedures
- Manufacturing Practices

Composite Manufacturing Skills

- Use of Material Safety Data Sheets (MSDS)
- New Composite Chemical Technology
- Technology and New Equipment Operation
- Operations and Maintenance of Cure Ovens, Vertical Mill, Cut-off Equipment, Spar Pulling Bench
- Use of Metrology Equipment in New Technology
- Applications and Structural Properties of Resins, Fibers and Weaves
- Shape, Tolerance and Temperature Considerations
- Alternate Methods of Fabrication Techniques
- New Technologies in Creation of Molds, Complex Molds and Split Molds
- Mold Stability and Bracing
- Alternate Methods of Fabrications

Blueprint Reading

- Geometric Dimensions and Tolerances
- General Tolerancing and Related Principles
- Datum Referencing
- Tolerances of Location, Form, Profile, Orientation and Runout
- Trigonometric Calculations for Crissair
- Coordinate Measurement Machine Applications
- Orthographic Projections
- Interpretation of Aircraft Specific Drawings

Drilling, Reaming and Countersinking

- New Applications in Areas of Drilling, Reaming and Countersinking
- Specific Applications in Aviation Design
- New Technology and Machinery
- Identification and Recognition of Foreign Object Damage (FOD)

Computer Numerical Control (Advanced)

- Power Up/Down Machine
- Reference Machine Axis
- Control Function
- Computer Numerical Control Commands
- Graduated Scales Codes
- Transfer Programs from Factory Net to Controller
- Download Program to Machine

Structural Aircraft Technology

- New Technology and Chemistry of Bonding and Adhesive Materials
- Types and Applications of Structural Fasteners
- Electrical Aircraft Structural Harnessing
- Drawing Interpretation of Electrical Aircraft Systems
- Proper Installation of Aircraft Plumbing Systems
- Drawing Interpretation of Plumbing Systems

**Manufacturing Skills** (continued)

Brush Plate Technology

- New Preservation and Protection Techniques of Machined Precision Parts
- Steel Heat Treatment
- Special Cadmium Plating
- Brush Plating

Laser Tracker Training

- Targets, Adaptors and Techniques
- Field Checks and Calibration
- Environmental Factors
- Measurement Modes
- System Manipulation, Axis Alignment, Transformation and Translations
- Reporting
- Troubleshooting

Rotary Wing Flight Testing

- Dimensional Analysis
- Subsonic Aerodynamics
- Level flight Performance
- Equations of Motion
- Closed Loop Handling Qualities
- Control Response

Advanced Fuel Tank Sealing (B-52 Program)

- New Concepts in Sealing
- Specifications
- Static Sensitive Devices
- Coating Applications
- Procedures for Sealant
- Handling and Storage of Sealant

**Literacy Skills** (shall not exceed 45% of a trainee's job skills curriculum hours)

Vocational English as a Second Language

Basic Math

**Participating Employers in Retrainee/New Hire  
Multiple Employer Contracts**

Contractor's Name: Antelope Valley Community College District

CCG No.: ET03-0242

Reference No: 03-0026

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PRINT OR TYPE

Company: BAE Systems Flight Systems

Address: 1434 Flightline Bldg 586

City, State, Zip: Mojave, CA 93501

Contact Person/Title: Mark T. Morter, VP, Contracts

Telephone No.: (661) 824-6450

Collective Bargaining Agreement(s): None

Estimated #of employees to be retrained or hired under this Agreement: 242

Total # of full-time company employees worldwide: 30,000

Company: CrissAir, Inc.

Address: 38905 10<sup>th</sup> St. East

City, State, Zip: Palmdale, CA 93550

Contact Person/Title: Michael H. Boas, Quality Assurance Manager

Telephone No.: (661) 273- 5411

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 120

Total # of full-time company employees worldwide: 138

Company: Fiberset, Inc.

Address: 1046 Poole St.

City, State, Zip: Mojave, CA 93501

Contact Person/Title: Marie Walker, CEO

Telephone No.: (661) 824-2488

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 11

Total # of full-time company employees worldwide: 13